

**DRAFT MEETING MINUTES  
CITY OF MILPITAS**

<b>Minutes of:</b>	<b>Special Meeting of the Milpitas City Council</b>
<b>Date:</b>	<b>Monday, March 14, 2006</b>
<b>Time:</b>	<b>6:00 PM</b>
<b>Location:</b>	<b>Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd.</b>

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**I. ROLL CALL**

Mayor Esteves called the meeting to order at 6:00 PM. All gathered said the pledge of allegiance.

**PRESENT:** Mayor Esteves, Vice Mayor Gomez, Councilmembers Giordano, Livengood and Polanski

**ABSENT:** None

**II. CITIZENS FORUM - None**

**III. APPROVAL OF AGENDA**

Motion: Approve agenda for this evening's meeting

Motion/Second: Councilmember Polanski/Councilmember Giordano

Motion carried by a vote of:	<b>AYES: 5</b>
	<b>NOES: 0</b>

**IV. BUDGET PLANNING AND DIRECTION TO STAFF FOR FISCAL YEAR 2006-07**

City Manager Charles Lawson provided an overview of City finances for the coming Fiscal Year. He informed the City Council that department and division managers were available to speak and/or to answer questions.

Mr. Lawson described a large budget deficit, up to \$6.5 million, that was anticipated. There was a heavy emphasis on use of reserve funds to balance budgets over the last few years. Responsibly, the City had adopted cost control measures and was well on its way to a balanced budget by June 30, 2006. All segments of City government operated at 95% of their budget allocation, and staff had only filled absolutely necessary positions, and all departments were operating with vacancies, while the work was still getting done well, on time. He described a significant decrease in the number of City employees out on disability compared to a couple of years ago. The City Manager's opinion was that the City could balance if it could control personnel costs, which represented over 80% of the budget. This evening, staff would present some ideas for next year's budget and seek Council direction.

Finance Director Emma Karlen presented the Council with a more detailed overview of budget expectations. The General Fund revenues were about \$50 million, with the total budget around \$70 million. As usual, General Fund was revenue up and down, and would likely increase over the next year. She noted that FY 07 revenue was lower than FY 01, while expenditures continued to rise – a lot. It was primarily due to employee salaries and benefits, and supplies, which caused the largest expenditure increase from last year projected to next year.

Ms. Karlen went on to review the Redevelopment transfer of funds to acquire City properties. She pointed out, too, that PERS rates continued to rise, though those appeared stable versus prior fiscal years. The largest cost increases came from medical insurance premiums, which were up 112% in the last six years. \$1.7 million savings was noted

via personnel attrition while that savings may not be very much next year. On a positive note, she said the ERAF \$1 million transfer to the state occurred for last time this year.

Answering a question about tax revenues anticipated next year, the Finance Director stated there was a 15% increase in property tax revenue and 4% increase in sales tax. In response to a question about how close Finance staff was on revenue projections last year, Ms. Karlen replied that the City exceeded expectations a little bit. With regard to staffing, there were currently about 80 vacancies, with 65 unfunded positions. In FY 2005-06, the City only funded 95% of budget requested and had some savings, but there was still a debt at the end of that.

Vice Mayor Gomez asked what was the deferred capital equipment? Staff gave the example of the continued use of a vehicle that still operates, rather than replacement of the car with a new one.

Mayor Esteves asked about computers and the schedule for replacement. Information Services Director Bill Marion said that computers were replaced approximately every 4-5 years, including the re-allocation of some machines. For example, when grant money was available for the Police Department in the last year existing computers were used in other parts of the City as needed. Mr. Marion stated that three to five years was his best guess on when computers were replaced in the City. There was not a set schedule for replacement, rather when they broke down, they were repaired or replaced.

Councilmember Livengood complimented Mr. Marion on the manner in which computers were cared for and replaced on the as-needed basis.

The Finance Director described to the Council, in order to solve the \$6.5 million gap, staff was considering several strategies:

- 1) reduce budget requests from the Departments
- 2) reduce part-time and temporary clerical support
- 3) eliminate program: school Crossing Guards
- 4) eliminate program: Pre-School
- 5) eliminate program: Stay & Play
- 6) defer \$4.5 million redevelopment transfer from FY 06 to FY 07, and
- 7) increase revenue or locate new sources of revenue (such as 9-1-1 fees on phone bills or an increase business license tax)

Vice Mayor Gomez commented that staff could work with Traffic Engineer Jaime Rodriguez, to locate priority intersections that could qualify for his and Councilmember Polanski's "Safe Streets Program" for improvements to lights, crosswalks and streets in Milpitas.

Ms. Karlen continued, showing five year budget projections, when there would be approximately a \$5-6 million deficit anticipated each of those future fiscal years. Unfunded liability needs to be funded, per action of the Council's Finance Subcommittee.

Employee salaries and benefits increases were predicted to be smaller, but costly each year. She explained that the City would be looking at the structural imbalance continuing. One item to consider would be the employees-to-population ratio, and to consider the overall salary and benefits package offered to City employees. Additionally, staff could check out the cost effectiveness of specific programs, such as DARE and the appropriate number of fire stations for the City.

#### Questions from the City Council:

Councilmember Polanski asked, when the PERS rate was placed under the miscellaneous category, did that include City Council? Staff replied yes. Salary increases were set at 0%; but, were there other increases, like longevity pay? Staff replied yes, including merit increases, but not considering MOU settlements. Ms. Polanski asked what was the cost of the DARE program to the City? Staff replied three police officers staff the program. City Manager Lawson said the price tag was about \$450,000.

Councilmember Polanski spoke regarding crossing guards, and she considered the "safe streets" program was important. Particularly, in the past, more parents were at home. Now, people drive longer distances to go to work. Slowing down flashing signs at intersections could help slow down drivers. She remained concerned about the eliminating crossing guards suggestion.

Recreation Manager Bonnie Greiner provided more information about the programs proposed to be cut, in response to Council questions. For one year, they eliminated one location for the Stay & Play program. 143 children were enrolled currently. In the past, 155 children on average enrolled. At sites where the City has after-school care, other vendors (the School District and YMCA) also offer after school care. City services were available at four sites, and thus some duplication exists. \$210,000 was budgeted solely for part-time staff for programs. Pre-school could only accommodate 144 children, at the non-licensed pre-school. In Milpitas, there were numerous licensed ones in town, with 25 programs for various aged children.

Vice Mayor Gomez commented there were often no community members at these meetings, when discussing critical City expenditures. Other cities hold public budget meetings at sites other than City Hall, and priorities were to be discussed in different neighborhoods. He would like the community to get engaged in this process and to ask what was important to you – the community? Mr. Gomez felt it was important to find out where the sentiment was, in the broader Milpitas community.

City Manager Lawson responded with his opinion that the community would not want to cut any programs.

Vice Mayor Gomez wondered if staff gave people five colored dots, and asked people to select their top five programs, if that would be of benefit.

Councilmember Polanski, said from her School Board experience, they did something similar with the dots. You could find out what's most important to a group of people.

Councilmember Giordano said the DARE program was dear to her heart.

Mr. Lawson specified that DARE operated with guidelines and there was not any way to cut it back to "save" money on the program. The City did not want to reduce police off the street, while DARE was a teaching position. In the past, the City used to have 5 DARE officers, while now there were three and the City was trying to maintain just that. Police Chief Thomas Nishisaka told Council there were other programs are out there besides DARE, which also operate to keep children off drugs, and other school districts used teachers rather than full-time sworn police officers, and mentioned alternatives. Chief Nishisaka added that there was a current effort to certify DARE academically, and to provide data on its actual effectiveness.

Mayor Esteves asked a question about the number of fire stations. Ms. Karlen said the City could study and evaluate the effectiveness of the number and responses of stations for a city of Milpitas' size. The City Manager stated that there were few calls, for example, at Station 4 (near McCarthy Ranch) with a limited number of calls for emergency medical service.

The Mayor also inquired how many programs could \$1.5 million pay for? He related the dollar amount of the proposed increase in personnel salary and benefits for the next fiscal year. Further, Mayor Esteves asked what the impact was of delaying the redevelopment funds transfer. Ms. Karlen replied that the longer the City delayed doing that, the fund would earn more interest, and it helped to balance the General Fund bund. If the city does not go forward with that step, there was still a \$4.5 million deficit ongoing.

The Main Sewage Pump Station needs replacement, the Mayor noted from the last subcommittee meeting. Most projects not funded out of the General Fund (but from CIP and others), reported the City Engineer. There would be important CIP items coming up next year, and while, in the past, RDA funds would have been a major source for those projects, redevelopment funds soon would not be available to pay for critical items like this.

Mayor Esteves asked the City Manager whether there was any specific feedback from the officers doing the DARE program, and he responded, no specific feedback recently, no.

Another recommendation from the City Manager for future planning was that the City Council move to adopt a two-year budget cycle in future years.

The Finance Director then provided information regarding the Redevelopment funds. Vice Mayor Gomez asked her about tax increment money for housing. Ms. Karlen reported it was 4-6% of funds.

Councilmember Giordano had read through each department's draft budget requests and had some specific questions related to personnel costs, and staff responded to her questions.

Vice Mayor Gomez stated a need for priority setting sessions, before he could decide what to cut, based on staff suggestions. He wanted to receive community input.

City Manager Lawson reminded the City Council that time was short, there was a need to do something by May and he emphasized the five-year program, going forward continuing "in the hole." He sought direction from Council to find ways to improve the budget situation.

Councilmember Livengood mostly listened and had seen much of this information before, and it was a good thing staff came to Council with alternatives on how to get our hands around the serious deficit. He could not say he gravitated to one or another program suggested at this meeting. The community and employees needed to understand the deficit, he said, and the Council could not solve it simply by taking money out of reserves.

Mr. Livengood expressed that the staff was doing an awfully good job, with 80 positions not filled, and still work was getting done well. Meanwhile, there were difficult decisions to make. He liked the idea of asking community what they want, going out there with a list of programs and asking the community what was most important. He asked the Council to authorize it soon. He did not want to make decisions in a vacuum, that's a step in the right direction.

He considered the people the City partners with, and those days are over when we just absorb costs without input – especially MUSD. He compared how schools gave out a 5% raise to employees while the City employees got 0%. It was necessary to find a way to co-sponsor with other City partners, like the idea of involving teachers to help with the police DARE program. He agreed it was time for Council to hear from the community before budgeting decisions were made in May.

Councilmember Giordano felt getting community input is very important. She was somewhat hesitant, in that in the past the City tried in vain to have "town meetings" but they were minimally attended. Ms. Giordano reiterated that she was here to represent the City in its entirety, not solely those who show up at one community input meeting.

Councilmember Polanski reported that the Community Advisory Commission had done town hall meetings in the past, with a lot of people turning out when something significant was on the agenda. Maybe when too general, not as many people attended. Maybe if the focus was on three or four areas would be good. Perhaps people could call in to ask questions of those on the dais, and also on the website people could give input, early.

Vice Mayor Gomez reiterated by choosing four or five school sites, they could branch out a lot more, to gather input from more than the "usual crowd." Holding the sessions in different parts of the cities would help. Councilmember Giordano suggested holding the meetings at the two junior highs. Vice Mayor Gomez added hosting these at the four corners of the city.

Mayor Esteves suggested holding the meetings at maybe one non-school center. The Mayor needed more information to consider cutting any of the programs suggested tonight. He stated the need for staff to present information objectively, not skewed. He stressed his view of the need to focus on children and their needs in the City and in the community. He also agreed that the City should talk to people in the community and to provide and receive good information from the public on the budget.

Vice Mayor Gomez stated the meetings should be staff driven, not with any Council opinion or input. He wanted lots of time for the community to give remarks and input to staff, who would simply be brief and to the point.

Public Comments:

**Rob Means**, as proposed, the City would get a balanced budget with money shifted from Redevelopment to the General Fund. The point not being considered though was that next year the City would have a full deficit to deal with again. He wanted the City to resolve it, by figuring out how it could cover a \$2.5 million shortfall again; when, next year the City would have to find that amount again. His suggestion was to do it in small steps instead of one large step.

**Isaac Hughes**, would like to hear more speakers from the public, and felt it was contradictory to have a limit of three minutes to speak. He stated a public information request for Rosemary Beltran's handwritten notes taken during the meeting and wanted a copy of those. If there was a problem with electricity, you would have a generator for back-up, for example. He suggested placement of a generator or back-up plan for how the city was run. There should be enough people in Milpitas who want to volunteer for the Fire Department, and gave the example of Mr. Livengood serving as a volunteer reserve Police Officer. Citizens deserved the services they want, and now the City was at a point where the Redevelopment Agency cannot bail you out any more.

City Council Action:

Motion: to accept the input provided this evening by the City staff, to direct staff further to set up one night of four community budget sessions with citizens providing input, and that input would later be reported to the City Council before its meeting on the budget in mid-May

Motion/second: Councilmember Livengood/Vice Mayor Gomez

Motion carried by a vote of:

AYES: 5

NOES: 0

**V. ADJOURNMENT**

Mayor Esteves adjourned the meeting at 7:45 PM

Meeting minutes respectfully submitted by:  
Mary Lavelle, City Clerk

**DRAFT MEETING MINUTES  
CITY OF MILPITAS**

<b>Minutes of:</b>	<b>Regular Meeting of Milpitas City Council</b>
<b>Date:</b>	<b>Tuesday, March 21, 2006</b>
<b>Time:</b>	<b>6:00 PM (Closed Session) 7:00 PM (Public Business)</b>
<b>Location:</b>	<b>Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd.</b>

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**ROLL CALL**

Mayor Esteves called the meeting to order at 6:00 PM.

**PRESENT:** Mayor Esteves, Vice Mayor Gomcz, Councilmembers Giordano, Livengood and Polanski

**ABSENT:** None

**CLOSED SESSION**

Mayor Esteves publicly stated the Council would convene in Closed Session to discuss the following two issues:

**(1) CONFERENCE WITH LABOR NEGOTIATORS – COLLECTIVE BARGAINING**  
(Pursuant to California Government Code Section 54957.6)

City Negotiators: Art Hartinger, Ed Kreisberg, Carmen Valdez. Employee Organizations: Milpitas Police Officers Association (MPOA), International Association of Firefighters (IAFF), Protech. Under Negotiation: Wages, Hours, Benefits, Working Conditions

**(2) CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

(Pursuant to California Government Code Section 54956.9(a))

City of Milpitas v. Turner Construction et al., Santa Clara County Superior Court Case No. 103CV815946 Consolidated with Case No. 103CV008400

The City Council reconvened in Open Session at 7:12 PM with Mayor Esteves presiding and all Councilmembers present.

**CLOSED SESSION  
ANNOUNCEMENT**

NONE

**PLEDGE**

Boy Scouts Troop No. 92 Color Guard led the Pledge of Allegiance.

**INVOCATION**

Father Daniel Urcia of St. Elizabeth Church offered the invocation.

**MINUTES**

**MOTION:** to approve minutes of March 6 and 7, 2006 Council meetings, as submitted.

**Motion/Second:** Vice Mayor Gomez/Councilmember Giordano

<b>Motion carried by a vote of:</b>	<b>AYES: 5</b>
	<b>NOES: 0</b>

**SCHEDULE OF MEETINGS**

**MOTION:** to approve the schedule of meetings, as amended.

Councilmember Polanski said the Capital Improvements Program Subcommittee was scheduled on Thursday, March 30 at 6:00 PM. Mayor Esteves said the Transportation Subcommittee was to be held on March 23 at 5:30 PM.

Motion/Second: Councilmember Polanski/Councilmember Giordano

Motion carried by a vote of:

AYES: 5

NOES: 0

## PRESENTATIONS

### Proclamations

Mayor Esteves proclaimed the dedication of the Milpitas Community Garden as "Cesar Chavez Community Garden" with a ceremony to be held on April 1, 2006. The proclamation was accepted by Mrs. Rita Chavez Medina, Cesar's sister.

Mayor Esteves proclaimed "Young Child and National Child Abuse Prevention Month" for the month of April 2006, which was accepted by City staff Toby Librande and Christy Rodriguez-Vigil. Next, two Milpitas students - Aditya and Ha - held up the large Children's Welfare League of America Children's Memorial Flags -- designed with outlines of children on a red flag - and presented it to the City for display next month.

Mayor Esteves proclaimed "Meals On Wheels Month" for the month of March 2006.

### Certificates of Commendation

For the Fire Department's SAFE (Strategic Actions For Emergencies) Class #14, 27 citizens participated in and graduated from the neighborhood preparedness course. Mayor Esteves read the participants' names and asked those present to stand. Battalion Chief Kastros explained the organizing done by the members of the class, wherein groups of five citizens would be ready to respond in times of disaster. He would distribute the Certificates to the 27 SAFE graduates.

## CITIZENS FORUM

**Dem Nitafan**, asked the City Council about waiving fees for use of the Community Center. He announced the annual dinner-dance sponsored by the Knights of Columbus to honor distinguished recipients of Firefighter of the Year, Police Officer of the Year, and Citizen of the Year. The 32<sup>nd</sup> annual awards dinner would be held on Saturday, March 25 at the Milpitas Community Center.

**Sylvia Leung**, spoke of her efforts trying to develop a vacant lot at 3152 S. Main St., for about four years, and she wanted removal of her lot from the City's Mid Town Precise Plan boundary, in order to move forward on the development. She handed a letter to the Council with her request. Mayor Esteves referred this issue to Planning Director Tom Williams.

**Daniel McCall** of San Jose, a Scottish man, read aloud from a book for several minutes.

**Max Martinez**, Vice President of the Cesar Chavez Family Vision Foundation, invited all the community to a symbolic march at 11 AM from Mexican Heritage Plaza to Cesar Chavez Plaza in San Jose on Saturday, March 25, for a free celebration with dancers, music and food booths.

## ANNOUNCEMENTS

**Councilmember Polanski** offer her congratulations to North and South Milpitas Little Leagues, as she went to the opening day of the South league. Also, the Milpitas Foundation for Education would hold a "Crab Feed & Auction" on Friday, April 7 at 6:00 PM. She pointed out the Community Outreach meetings on priority programs scheduled for the public on Monday, April 10 at 6:30 PM at four MUSD schools. She asked for an explanation as to why this was on one night, and the City Manager said it was in response to the request of the Council at the budget meeting last Tuesday.

**Vice Mayor Gomez** commented about the request for input from citizens on the website. Information Services Director Bill Marion explained how challenging it would be and the length of time it would take to conduct a fair survey of residents online.

**Mayor Esteves** announced that Thursday, April 6, was the date for the Mayor's State of the City address at 6:00 PM at Council Chambers. All are welcome and invited to his speech.

## ANNOUNCEMENT OF CONFLICT OF INTEREST

Mayor Esteves stated he would abstain from voting on Item No. RA5 because he served as a Board member of the Housing Trust Fund of Santa Clara County.

## **APPROVAL OF AGENDA**

**MOTION:** to approve the agenda as amended

Item No. 2 was placed at the end of the agenda, as the last item to be heard, in order to accommodate the Piercey Toyota representative, for the public hearing.

Item No. 6 was placed before the Redevelopment meeting and after Public Hearings, in order to accommodate Director Santos from the Santa Clara Valley Water District.

**Motion/Second:** Councilmember Giordano/Vice Mayor Gomez

**Motion carried unanimously by a vote of:** AYES: 5  
NOES: 0

## **CONSENT CALENDAR**

**MOTION:** to approve the Consent Calendar as amended, with Items No. 11 and 16 removed from consent

**Motion/Second:** Vice Mayor Gomez/ Councilmember Giordano

**Motion carried unanimously by a vote of:** AYES: 5  
NOES: 0

### **\* 3. Arts Commission Work Plan**

Approved the Commission work plan for 2006.

### **\* 4. Community Advisory Commission Work Plan**

Approved the Commission work plan for 2006.

### **\* 9. Fire Department Grant for Diesel Exhaust Extraction System**

Approved the grant in the amount of \$108,657 for the Diesel Exhaust System.

### **\* 10. Water Supply Assessment Murphy Ranch Residential Project**

Approved the Water Supply Assessment and written verification for sufficient water supply for the Murphy Ranch Residential Project.

### **\* 12. Recommendation of a Policy for Naming of Streets, Parks and other City Facilities**

Approved the Standard Operating Procedure describing the Policy for Naming Streets, Parks, and other City Facilities, as recommended by the Facilities Naming Subcommittee.

### **\* 13. Resolution Granting Final Acceptance**

Adopted Resolution No. 7582 granting final acceptance and release of contractor's bond, for the interim Senior Center Kitchen and Internal Improvements, Project No. 8151.

### **\* 14. Agreement with Nichols Consulting Engineers, Pavement Management Program Update**

Authorized the City Manager to execute the agreement amendment with Nichols Consulting Engineers, for the Pavement Management Program Update, Project No. 4229, in the amount of \$32,700, subject to approval as to form by the City Attorney.

### **\* 15. Contract with CSG Consultants for Fire Inspections**

Approved the request to contract fire inspection services between the City and CSG Consultants, Inc., in an amount not to exceed \$11,563.75, subject as to form by the City Attorney.

## **PUBLIC HEARINGS**

### **1. Minor Tentative Parcel Map at 163 No. Main Street**

Planning Director Tom Williams explained the request to record the minor Tentative Map for the property in the Mid Town area. It was relative to parcels for the new DeVries Place senior housing project and the nearby planned County Health Facility.





come to conclusion on the plans for the business.

Councilmember Polanski welcomed the new business into the community, calling the occasion "truly exciting." The number of parking spaces was very good to hear about, since a former dealer in the City struggled with that issue.

Mayor Esteves opened the public hearing, and asked for public comment. None heard.

(1) Motion: to close the public hearing

Motion/second: Vice Mayor Gomez/Councilmember Livengood

Motion carried unanimously by a vote of: AYES: 5  
NOES: 0

(2) Motion: to approve the Use Permit No. UP 2006-1 and the "S" Zone change No. SZ 2006-1, subject to the specific findings and special conditions recommended by the Planning Commission (noted in staff memo)

Motion/Second: Vice Mayor Gomez/Councilmember Polanski

Motion carried unanimously by a vote of: AYES: 5  
NOES: 0

#### **JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

**RA1.  
CALL TO ORDER**

Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:12 PM.

**RA2.  
ROLL CALL**

**PRESENT:** Mayor/Chair Esteves, Vice Mayor/Vice Chair Gomez and Agency/Councilmembers Giordano, Livengood and Polanski

**ABSENT:** None

**RA3.  
MINUTES**

Motion: approve the Redevelopment Agency minutes of March 7, 2006, including joint meeting with the City Council, as submitted.

Motion/Second: Vice Chair/Vice Mayor Gomez / Agency/Councilmember Giordano

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA4. Approval of Agenda and  
Consent Calendar**

Motion: approve the agenda and consent calendar, as amended

Item No. RA8 was requested to be removed from Consent.

Motion/Second: Vice Chair/Vice Mayor Gomez / Agency/Councilmember Giordano

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 5. Resolution to Approve  
Allocation of Redevelopment  
Agency 20% Housing Set-  
Aside Funds to the Housing  
Trust Fund of Santa Clara  
County**

Prior to the discussion and vote on this issue, Mayor Esteves departed the Chambers. Vice Mayor/Vice Chair Gomez presided over this agenda item.

Principal Housing Planner Felix Reliford reviewed the facts as to how the Housing Trust of Santa Clara County began as a collaborative between the private and public sectors in 2001, and leveraged almost \$1 billion dollars toward housing needs. The City of Milpitas provided \$500,000 toward new senior development (DeVries Place) and last year \$150,000 was allocated to Senior Housing Solutions for a single family home.

\$800,000 would be allocated to City of Milpitas low-income residents from the Trust for housing to date, with this evening's approval. Also, 28 Milpitas residents have received first-time home buyer loans, totaling approximately \$200,000.

Mr. Reliford explained that, as in the past, the Redevelopment Agency was requested to adopt a resolution to specify that funds go to Milpitas residents and workers specifically, for the money contributed from this City.

Mr. Taylor Dial, Executive Director of the Housing Trust, spoke to the Agency members, describing the many housing opportunities for Milpitas residents that have occurred over the last five years. The Trust Fund had allowed 28 Milpitas to buy their first homes, among other accomplishments, and helped 1,176 families over the past three years. Now, they were trying to raise \$1.5 million over the next three years.

Mr. Dial, on behalf of the Housing Trust Fund, requested \$150,000 from the City of Milpitas, the same amount allocated last year, on this date for the next effort of Phase III of the fundraising.

Councilmember Livengood asked about how wealthier cities such as Los Altos respond to lower income housing needs. Mr. Dial said the wealthier cities contributed money even though it may not be spent in their cities directly, but recognized the need for regional housing. City Attorney Mattas elaborated on the City of Los Altos Hills, and how it satisfies its "fair share" obligation, with second floor units on some homes there and other steps.

Councilmember Livengood noted the continued commitment of the private sector in contributing to the Housing Trust Fund (going beyond asking City governments). The other aspect was the admirable leveraging of funds to garner more money toward housing needs in the Santa Clara Valley.

MOTION:

1. Approve budget appropriation of \$150,000 in the Housing Reserve Funds for payment to the Housing Trust Fund of Santa Clara County.
2. Adopt Resolution No. RA250 demonstrating a compelling need to prefer Milpitas residents and workers for housing units using Housing Reserve Funds contributed to the Housing Trust Fund of Santa Clara County.

Motion/Second: Agency/Councilmember Polanski / Agency/Councilmember Giordano

Motion carried by a vote of:

AYES: 4  
NOES: 0  
ABSTAIN: 1 (Esteves)

**\* RA 6. Plans and Specifications for Midtown East Parking Garage Foundation**

Approved Plans and Specifications and Authorize the Advertisement for Bid Proposals: Midtown East Parking Garage Foundation Piles, Chong Partners, Project No. 8161

**\* RA 7. Agreement for Public Works Inspection Services with TRS Consultants**

Authorized the City Manager to Execute an Agreement for Public Works Inspection Services with TRS Consultants for S. Park Victoria Drive Improvements (Phase 1), Well Upgrade, City Reservoir Evaluation & Upgrades, Gibraltar Pump Station, Berryessa Pump Station, Pool Resurfacing, Project Nos. 4225, 7076, 7091, 7101, 8138, 8180, and Various Other Capital Improvement Projects as Needed.

**RA 8. Authorize the City Manager to Execute a Lease Agreement for Construction Office Space at 82 N. Main Street, Project No. 8154**

Mayor Esteves returned to the Council Chambers prior to the discussion of this item.

Councilmember Livengood removed this from consent for one question regarding the term of the lease. Staff clarified the term of the lease was for two years (not three).

Motion: authorize the City Manager to execute a lease agreement for construction offices with Harpreet Singh Chaudhary for 82 N. Main Street in Milpitas (as described in the staff report), subject to approval as to form by the City Attorney.

Motion/Second: Councilmember Livengood/Councilmember Polanski

Motion carried by a vote of:

AYES: 5

NOES: 0

## RA 9. ADJOURNMENT

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 8:27 PM.

## REPORT OF OFFICERS

### Open Government

#### 5. Form for Report of Solicitation of Donations by Elected Officials

Councilmember Livengood introduced this item, and explained the purpose of the form, which came out of the Open Government Subcommittee. Vice Mayor Gomez reiterated what his colleague explained.

The Subcommittee members recommended filing even when the amount donated was zero. Mr. Livengood explained that only actual donations over \$100 were required to be reported. The City Attorney clarified what was in the ordinance, and that the form was required when actual contributions were made (vs. solely solicited by a Councilmember).

Councilmember Polanski asked if the forms were going to be due from this point forward (i.e. not retroactive). She also asked how Councilmembers learn if an organization received a check/donation from the person solicited by a Councilmember. Mr. Livengood stated he felt it was incumbent on the Councilmember to find out and learn the date when the donation was made.

Councilmember Giordano asked if the City Clerk would provide the forms provided to Council each quarter prior to the due date. The City Clerk agreed. Vice Mayor Gomez asked for it to be a .pdf form for their own use. Information Services staff responded they could help make this happen for Council.

Mayor Esteves asked about family contributions and whether those must be reported. The City Attorney said there was no exception for any specific persons. He inquired about whether there was any maximum dollar amount to be solicited or donated, and the City Attorney responded no.

City Attorney Mattas reviewed the Open Government Ordinance and suggested that this form would be due prospectively, with the requirement going forward. He suggested the Council might wish start proceeding with the second quarter of this year.

MOTION: effective the second quarter this year, move to approve the Report of Contributions form and approve the quarterly reporting schedule

Motion/Second: Councilmember Giordano/Councilmember Livengood

Motion carried by a vote of:

AYES: 5

NOES: 0

## NEW BUSINESS

#### 6. Support for Assembly Bill 2435 Regarding Santa Clara Valley Water District

City Engineer Greg Armendariz explained the annual request for the City to approve the SCVWD budget and two at-large board members. Hoping for a change in this requirement, legislation in the Assembly was introduced in Sacramento to allow the District Board to approve its own budget, and do away with the at-large members. He then introduced District Board Member Richard Santos.

The County and SCVWD are jointly sponsoring legislation (AB2435) to give the SCVWD Board of Directors sole responsibility for approving the SCVWD budget and eliminate the two at-large director positions in 2009 for the following reasons:

- Other independent special districts within the State operate under the authority and direction of their elected boards.
- SCVWD directors are fully accountable to voters if they have control over their budget.
- SCVWD has expertise and resources in flood control or water resource management.
- County Local Agency Formation Commission (LAFCO) performed an independent assessment and determined that water resources were well managed by SCVWD.

Mr. Santos was present to request support from the Council for the bill. In 1968, the district formed, and the county selected two people at-large to serve on the Board, while the rest were elected by the voters. AB 2435 was sponsored by Assemblyman Joe Coto and Senator Elaine Alquist. Mr. Santos asked for collaborative support, in the SCVWD going from seven to five members, all elected. There was no known opposition.

Vice Mayor Gomez asked if there were budget issues of concern. Director Santos said last year the County held up its budget, and caused some hold up for the timely approval of the district's budget. The legislation would alleviate that.

MOTION: approve the letter of support to the legislature from the Mayor in support of Assembly Bill 2435

Motion/Second: Councilmember Livengood/Vice Mayor Gomez

Motion carried by a vote of: AYES: 5  
NOES: 0

## **7. Review of General Plan's Housing Element**

Principal Housing Planner Felix Reliford reviewed the Housing Element of the City's General Plan. He explained the current award-winning Housing Element was adopted in 2002, and thus, the next review of Milpitas - as notified by the state of California HCD - would be scheduled for December 31, 2007.

Highlights noted by Mr. Reliford: 4,348 was the number of low income units determined by ABAG, as needed to be built in Milpitas over the five year period, and to date, this City has provided 82% of units toward our regional fair share. This was a noted accomplishment for the City of Milpitas (vs. 56% of the rest of Santa Clara County) with time remaining to complete the total. His written report to Council provided more written detail on the City's goals and achievements with regard to housing.

Councilmember Giordano felt that the Council might not need the annual review of this issue for next year, since it was near the five-year time frame for a new one. She reviewed Housing Element requirements in the state law. Also, she referenced the Economic Development Plan, and current economic conditions, with the wish list for upper-end income housing for Milpitas business persons. She asked staff what would housing staff do with reference to those points in the Economic Plan. When looking at income levels, would the highest level be added to the top to accommodate high-end housing? Mr. Reliford responded that market forces would drive this type of housing v. planning for low- and moderate-income housing.

Mrs. Giordano discussed issues to address next time, such as the Urban Growth Boundary, the analysis of population and employment trends, and an inventory of land for housing (re-zoning of industrial land for housing). She identified these three items to take a good look at for the next update to the Housing Element.

Planning Director Tom Williams replied that staff heard the Council loud and clear to create opportunities for investment in housing opportunity throughout the City.

City Attorney Mattas suggested that the Council not get too detailed into what goes into the next Housing Element at this time, while considering tonight's report. Staff could be directed later, for the next edition of the five-year Housing Element.

Councilmember Livengood expressed his support for housing for all income levels in Milpitas and to keep in mind what the EDC plan showed the Council, with both the very low-end and the very high-end needs to be considered. He noted that where businesses were sited related to what housing options were available.

MOTION: note receipt of the staff's written and oral report on the Housing Element

Motion/Second: Councilmember Polanski/Vice Mayor Gomez

Motion carried unanimously by a vote of: AYES: 5  
NOES: 0

#### **8. Agreement with Earthlink for Wireless Service in the City**

Information Services Director Bill Marion explained the request from Earthlink to the City to provide wireless internet service at no cost, with no financial investment by the City. Earthlink would reimburse the City for any staff costs. Also, the proposal was recommended for approval by the Telecommunications Commission. Mr. Steven Salinger, Director of Business Development from Earthlink, was present to answer questions.

Mr. Marion reviewed details about Earthlink Inc. and what they proposed to offer the City of Milpitas, including installation of a "wifi" network, for City use along with free wifi at the Teen Center, the Community Center, and the Senior Center. Low cost public access (approx. \$20 per month) would be offered to all residents in the City.

Mr. Marion displayed an example of the equipment posted on light poles. They were quite similar to devices already installed around the City for the wireless communication set-up for emergency services dispatch currently. The proposal was for a "non-exclusive" agreement, where some cities hold exclusive arrangements after choosing one provider after a competitive process. In Milpitas, the City could eventually offer a multiple providers environment for customers.

The City is part of Wireless Silicon Valley Initiative, and the Earthlink proposal was definitely within the goals of the Initiative's plans.

Councilmember Livengood liked the idea that wireless service was not tied to one company (multiple providers). He asked why there were no franchise fees or some type of sharing of the profits. Staff explained there were some "pole" fees in other cities, but it was a very small amount, and that federal law precluded franchise fees for this type of service.

In response to a Councilmember's question, Mr. Salinger from Earthlink explained that one user gets one account or one sign-in to Earthlink for service.

Councilmember Livengood asked the Earthlink representative if the Milpitas deal was a "Go/no-go issue" for his company. Mr. Salinger responded that Earthlink was drawn to Milpitas as a test city, since the wireless set-up was already in place for Public Safety. They wanted to add new wifi service at the new library and Mr. Marion stated that it was already planned for at the new library building. Mr. Livengood stated his goal that it should be free service for customers, once the new Library building opened.

Vice Mayor Gomez inquired what happened when legislation catches up to technology if franchise type fees were allowed later? Mr. Marion stated there was a great deal of conversation on this subject nation-wide on this issue, and he and his department would keep the Council updated about any changes and/or proposals.

MOTION: Authorize the City Manager to execute an agreement with Earthlink Inc. to provide wireless internet service and for the use of the public right-of-way, subject to approval as to form by the City Attorney. The motion included the requirement for free wireless service at the new Milpitas library, in addition to the locations noted

Motion/Second: Vice Mayor Gomez/Councilmember Livengood

Motion carried unanimously by a vote of: AYES: 5  
NOES: 0

**11. Approve Invoicing of Costs of Personnel for Traffic Control at 16th Annual LSI Logic Classic 5/10k Walk/Run**

Mayor Esteves had requested this item to come off the consent calendar. He described it as a well-regarded fundraising event in the City. The approximate cost for the Police services was \$100,000. Since it was a fundraising effort, Mayor Esteves recommended to his colleagues that these costs be waived.

Motion: Approve waiving the costs of police personnel on the date of the LSI Logic Class running event.

Motion/Second: Councilmember Giordano/Mayor Esteves

Motion carried unanimously by a vote of: AYES: 5  
NOES: 0

**BIDS AND CONTRACTS**

**16. Authorize the City Manager to Execute an Agreement with Peckham and McKenney for recruitments**

Acting Human Resources Director Carmen Valdez, explained the current request to authorize a contract with the recruitment firm Peckham and McKenney to recruit for the positions of Police Chief and City Manager.

Councilmember Polanski asked for this issue to be removed from the consent calendar because she wanted to understand how it came about on the agenda and asked staff about the timing of this topic. City Manager Lawson answered by saying that the City Council could delay this issue if it would prefer. He stated the City would save money by doing both recruitments at the same time.

Mrs. Polanski asked if the City Council was a member of interview team that selected the recommended firm. Ms. Valdez responded no (as is typical). The Councilmember was disappointed that the City Council did not discuss this issue before this evening.

Councilmember Livengood stated that he was glad that staff vetted the potential recruitment firms, and he would support the motion.

Mayor Esteves thought the Council should be the initiator of this process. He felt they were at the rear end of the process instead, and did not support the process.

MOTION:

1. Authorized the City Manager to execute an agreement with Peckham and McKenney, subject to approval as to form by the City Attorney, in an amount not to exceed \$40,000 for the administration of recruitment and selection for Police Chief and City Manager positions.
2. Approved budget appropriation of \$45,000 from City Manager's Contingency Fund for Fiscal Year 2005-06, which included \$5000 toward background investigations.

Motion/Second: Councilmember Livengood/Vice Mayor Gomez

Motion carried by a vote of:

AYES: 3

NOES: 2 (Esteves, Polanski)

Councilmember Polanski further expressed her reason for voting no was related to the process with which she was dissatisfied, rather than the subject topic itself.

**ADJOURNMENT**

Mayor Esteves adjourned the meeting at 9:57 PM.

**Minutes respectfully submitted by:**

**Mary Lavelle, City Clerk**